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January 22, 2010

Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

226345

*Re: Finance Docket No. 35346; Nebraska Northwestern Railroad, Inc.—
Purchase, Lease and Operation Exemption—
Dakota, Minnesota & Eastern Railroad Corporation*

Dear Sir or Madam:

Enclosed for filing in the above proceeding are the original and ten copies of the Notice of Exemption and Caption Summary. I have also enclosed the filing fee.

Please stamp the eleventh enclosed copy of this filing as received and return it to me in the enclosed stamped envelope.

Very truly yours,



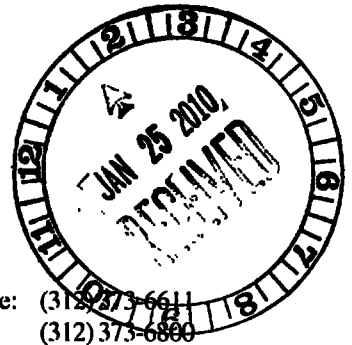
Enclosures

cc: Terence M. Hynes
Sidley & Austin
1501 K Street, N.W.
Washington, D.C. 20005

George La Pray
Nebraska Northwestern Railroad, Inc. (via fax)

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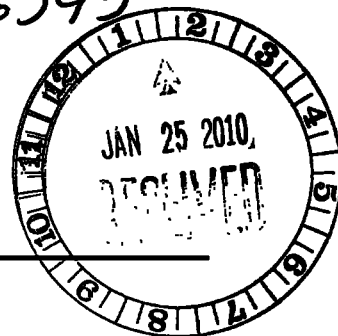
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BEFORE THE
 SURFACE TRANSPORTATION BOARD



STB FINANCE DOCKET NO. 35346

NEBRASKA NORTHWESTERN RAILROAD, INC.
 PURCHASE, LEASE AND OPERATION EXEMPTION
 DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION

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VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 C.F.R. §1150.31 *et seq.*

Nebraska Northwestern Railroad, Inc. ("NNW"), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Sub-part D, Exempt Transactions, to permit NNW to purchase 7.22 miles of rail line and lease 20.88 miles of rail line from Dakota, Minnesota & Eastern Railroad Corporation ("DM&E").

In support of this Notice of Exemption, NNW submits the following information as required by 49 C.F.R. §1150.33:

- (a) Full name and address of applicant:

Nebraska Northwestern Railroad, Inc.
 2361 Highway 385, #2
 Alliance, Nebraska 69301

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TRANSPORTATION BOARD

(b) Applicant's representative:

Michael W. Blaszak
211 South Leitch Avenue
La Grange, Illinois 60525-2162
(312) 373-6611

(c) Statement of Agreement:

NNW and DM&E have reached agreements regarding the purchase and lease of the subject rail lines.

(d) The operator of the property:

NNW will be the operator of the purchased and leased rail lines.

(e) Summary of the proposed transactions:

(1) The name and address of the seller and lessor of the subject rail lines is Dakota, Minnesota & Eastern Railroad Corporation, 140 North Phillips Avenue, Sioux Falls, South Dakota 57104.

(2) The subject transactions are expected to be consummated as soon as practicable following the effective date of this Notice of Exemption.

(3) NNW will purchase DM&E's rail line between Mile Post 404.5 near Chadron, Nebraska and Mile Post 411.72 Engineering Station 7492 +73 near Dakota Junction, Nebraska, and will lease and operate DM&E's rail line between the last-named point and Mile Post 432.6 near Crawford, Nebraska, together with various side tracks, spur tracks, connections, and other facilities located therein.

(4) The length of the purchased line segment is 7.22 miles, and the length of the leased line segment is 20.88 miles. The length of the rail line to be operated by NNW is 28.1 miles.

(f) A map of the purchased and leased line segments is attached as Exhibit A.

(g) NNW certifies that NNW's projected revenues as a result of these transactions will not result in NNW becoming a Class I or Class II rail carrier. NNW further certifies that the projected annual revenue of NNW will not exceed \$5 million as a result of these transactions. Accordingly, the requirements of 49 C.F.R. §1150.42(e) do not apply to this transaction.

(h) The agreements between NNW and DM&E effecting these transactions do not contain any provision or involve any agreement that would limit NNW's future ability to interchange traffic with a third-party connecting carrier.

The caption summary required by 49 C.F.R. §1150.34 is attached.

ENVIRONMENTAL AND HISTORIC IMPACTS

NNW is purchasing and leasing the subject rail lines for continued rail operations. Further Board approval is required for NNW to discontinue rail service. NNW has no plans to dispose of or alter properties subject to Board jurisdiction that are 50 or more years old. Accordingly, this Notice of Exemption does not require an historic report under 49 C.F.R. §1105.8(b)(1).

NNW's purchase and operation of the subject rail lines will not result in significant changes in rail carrier operations. The proposed transactions will not result in the diversion of more than 1,000 rail carloads a year or an average of 50 carloads per mile per year for any part of such lines to motor carriage, or an increase in rail traffic of at least 100 percent or eight trains per day on any segment of the line, an increase in yard activity of at least 100 percent, or an average increase in truck traffic of more than 10 percent of average daily traffic or 50 vehicles per day. The proposed transactions will not affect a Class I or nonattainment area designated under the Clean Air Act, and the thresholds of 49 C.F.R. §1105.7(e)(5)(ii) will not be exceeded. The transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. §1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,

NEBRASKA NORTHWESTERN RAILROAD, INC.

By: _____

Michael W. Blaszak

211 South Leitch Avenue

La Grange, Illinois 60525-2162

(312) 373-6611

Dated: January 22, 2010

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 35346

NEBRASKA NORTHWESTERN RAILROAD, INC.

PURCHASE, LEASE AND OPERATION EXEMPTION

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION

Nebraska Northwestern Railroad, Inc. ("NNW"), a noncarrier, has filed a notice of exemption to purchase from Dakota, Minnesota & Eastern Railroad Corporation ("DM&E") and operate a rail line between Mile Post 404.5 near Chadron, Nebraska and Mile Post 411.72 Engineering Station 7492 +73 near Dakota Junction, Nebraska, and to lease and operate DM&E's rail line between the last-named point and Mile Post 432.6 near Crawford, Nebraska, a total length of 28.1 miles.

Comments must be filed with the Board and served on Michael W. Blaszak, 211 South Leitch Avenue, La Grange, Illinois 60525-2162 (tel. no. (312) 373-6611).

This notice is filed under 49 C.F.R. §1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. §10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transactions.

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VERIFICATION

STATE OF NEBRASKA

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SS

COUNTY OF BOX BUTE

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John D. Nielsen being first duly sworn, deposes and states that he is PRESIDENT
of Nebraska Northwestern Railroad, Inc., that he is authorized to make this verification, and that he has
read the foregoing Notice of Exemption and knows the facts asserted therein are true and accurate as
stated to the best of his knowledge, information and belief.



SUBSCRIBED and SWORN

before me this 20 day ofJanuary, 2009Sharon K. Jones

Notary Public

1635964



EXHIBIT A

